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# In the Supreme Court of the United States

**OCTOBER TERM 1943.**

## No. 92.

THE SWAN CARBURETOR COMPANY,

*Petitioner,*

vs.

THE NASH MOTORS COMPANY,

*Respondent.*

## PETITION FOR REHEARING ON PETITION FOR CERTIORARI.

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This Petition is directed solely to the single question here on the amendment to the original Petition for Certiorari, which amendment was allowed by Order of this Court of October 11, 1943.

This question is:

Is Claim 20 of the Swan patent, No. 1,536,044, infringed by the Second Group Nash manifolds?

Owing to the proceedings by which this question is brought before this Court, and the consequent overlapping of the reasons and grounds relating to the same with, and the confusion thereof, with the grounds and reasons presented on behalf of the other questions included in the original Petition for Certiorari, there was confusion in the presentation.

There is present, as reason for granting a Petition for Certiorari on this single point, every ground that we have been able to find upon which a patent case has ever been taken up by this Court. *This is to be expected where two men are in disagreement with nineteen others and where the*

*single decision of two men is directly contrary to no less than five decisions of nineteen other men and the evidence of a Court's expert.*

These reasons are as follows:

(1) Diversity of decision of Circuit Courts of Appeals on a specific question, i.e., the infringement of a particular patent claim by identical devices. This diversity is pointed out by Circuit Judge Parker so there can be no doubt of its existence.

(2) Diversity of decision between the majority of the Court of Appeals in the Fourth Circuit and the District Courts in Baltimore and in Cleveland, Ohio, as well as the Court of Appeals in the Sixth Circuit.

(3) Diversity of decision between members of the Court of Appeals in the Fourth Circuit; Judge Parker, who wrote the dissenting opinion, being in agreement with the Court of Appeals in the Sixth Circuit and with the District Judges in Baltimore and Toledo.

(4) Disagreement between the decision of the majority of the Judges in the Court of Appeals in the Fourth Circuit and the law established by the opinions of this Court both ancient and current on every point involved.

(5) The decision of the majority of the Court of Appeals in the Fourth Circuit is contrary to public policy.

**(1) Direct Conflict Between the Decision of the Court of Appeals in the Sixth Circuit and the Majority of the Court in the Fourth Circuit:** There can be no doubt or question about the presence of this "*direct conflict,*" for Judge Parker, presiding Judge of the Fourth Circuit Court of Appeals, in dissenting from the other two members of that Court, declared that their opinion was in "*direct conflict*" with the decision of the Sixth Circuit Court of Appeals, saying (105 Fed. (2) 311) the decision of his colleagues (Judges Soper and Northcott) is:

"in *direct conflict* with the finding in one of the last General Motors cases affirmed by the Sixth Circuit, 88 Fed. (2) 876."

We recognize that it frequently happens that the conflict is indirect, or that collaterals may be involved which leave the question of direct conflict open and in confusion, and we think perhaps that on the original case this Court may have confused this particular question with such cases, but there are no collaterals here. The conflict is *direct and complete,* and we have Judge Parker as authority for that assertion. We have examined the history, the authorities, and the rules of this Court as far as they have been published, and we have been unable to find any case where this Court has refused certiorari where there was a *"direct conflict"* between decisions of Courts of Appeals upon a specific question. Our investigations have developed no case where this Court has refused certiorari where the authority for that direct conflict is one of the Judges sitting in one of the Courts below whose opinions are in direct conflict.

**(2) Diversity of Decision Between the Majority of the Court of Appeals in the Fourth Circuit and the District Courts:** Among the recent cases in which this Court has issued a Writ of Certiorari where there was such a diversity are *Paramount v. Tri-Ergon,* 294 U. S. 464, and *Duplate v. Triplex,* 298 U. S. 448. In the instant case the sole question is a question of patent infringement which is a question of fact under recent decisions of this Court and other courts. The opinion of the District Court in Maryland was, moreover, predicated upon the testimony of a neutral expert witness, appointed by the Court with the consent of the parties and examined by the Court, making it especially appropriate that the rule in *Adamson vs. Gilliland,* 242 U. S. 350 and Rule 52 of the Federal Rules of Civil Procedure be followed. In the Sixth Circuit the finding of infringement was made by a Jury whose Findings of Fact

are entitled to especial weight and consideration. Prior to the trial by the Jury, the cause had been referred to a Commissioner under the rule of this Court in *ex parte Petersen*, 253 U. S. 300, and this Commissioner had found infringement with the result that the finding of the two Judges (Judges Soper and Northcott) as the majority in the Fourth Circuit Court of Appeals, was contrary to Judge Parker of that Court, dissenting, to the District Court in Maryland, to the Court of Appeals in the Sixth Circuit, to the Jury in the Sixth Circuit, and to the Commissioner, under *ex parte Petersen*, in the Sixth Circuit. Thus the decision of two people stands in domination of the decisions of nineteen. Among these nineteen, fifteen were fact finding Tribunals, including a neutral expert, a Master (i.e., the Commissioner, who was the standing Master of the District Court in Cleveland), a District Judge who saw and heard the witnesses, and twelve jurymen, many of whom are experienced in the subject-matter involved, as we believe the Court will take judicial notice. We doubt if ever, in any case, has there been such a collection of legal and mechanical talent arrayed upon one side of a question.

We might add that there is here present a most novel reason for this Court taking up this case, and that reason is that the tail should not be permitted to wag the dog; that is, that two Circuit Judges—no matter how good lawyers they may be—should not be permitted to overrule and negative the work and the decisions of so many men who are learned in the science and mechanics to which the question relates, and so many lawyers who out-number the two.

Certainly where one sees the tail wagging the dog, the situation ought to be investigated to determine if there is not something wrong with this phenomenon, and that is what we are asking be done here.

**(3) Dissent on the Diverse Court:** Judge Parker's soundness and integrity are recognized, acknowledged and respected by the entire American Bar and Bench. Even if

his judgment and decision, expressed most emphatically in his dissenting opinion, was not in accord with these other eighteen impartial people, a question in which Judge Parker differs so emphatically and so positively with his colleagues, merits investigation even more than decisions in which a Court of Appeals has differed with a District Court, such as those we have cited above. Indeed, since this Court has found reason to investigate cases in which the three Judges on a Court of Appeals differed with the one Judge on the District Bench, how much more reason is there for investigating the instant case in which only two of the Judges of the Court of Appeals disagree with the District Court and the opinion of the other Judge on the Court of Appeals is in accord with the District Court, so that the line-up is two against two, in the instant case, as against three against one in the cited cases.

Moreover, one seldom finds pronouncements so positive and so emphatic in a particular holding as those of Judge Parker in the dissenting opinion and of Judge Coleman in the opinion of the lower Court (25 F. S. 24). Both are supported by the views of the neutral expert, as both Judge Coleman and Judge Parker have pointed out and, of course, as we have said, are in accordance with the Courts in the Sixth Circuit, as Judge Parker has said. Judge Parker was so emphatic and so forthright and outspoken in his dissenting opinion that he declared that

> "The finding of non-infringement" (by Judges Soper and Northcott) "here is based upon an immaterial change in structure, which was before the court in the former infringement suit" (the Sixth Circuit litigation) "on a contention that the change was immaterial and the device there held to infringe should be held not to infringe because of the immateriality of the difference." (105 Fed. (2) 311.)

So emphatic and so forthright was Judge Parker that he further said that the opinion of his colleagues, while paying "lip-service" to the validity of the patent, in effect

nullified it; in other words, that the majority of the Court in the Fourth Circuit, as we will point out hereinafter, while claiming to decide the question on non-infringement, in effect, went behind the estoppel by judgment and decided the question of validity, a question which was not in issue and, therefore, one upon which no evidence had been submitted. In other words, the majority of the Court, having the inestimable advantage of the use of the hindsight and no evidence on the question of validity, in fact decided the question of validity through the stratagem of appearing to decide the cause on non-infringement. Wherever the question of validity was involved and the evidence was submitted on that question, the claim involved was held valid. It is particularly iniquitous that it should be said that the decision is on non-infringement when, as Judge Parker pointed out, it was, in fact, on the question of validity, when no evidence was presented on the question of validity because that was foreclosed by the estoppel. In this particular Judge Parker is affirmed by the majority decision which indicated that their decision cast doubt upon the validity of the patent (105 Fed. (2) 310).

There was thus decided a question which was not before the Court, which was not in issue, which was foreclosed, and upon which there was no evidence, and which had always been decided in favor of the claim whenever it was in issue. It results that no matter whether the majority of the Court of Appeals in the Fourth Circuit decided the question on infringement or on validity, the decision of the majority is in direct conflict with the Court of Appeals in the Sixth Circuit, the District Court in Maryland, the District Court in Cleveland, and Judge Parker.

**(4) The Decision of the Majority of the Court of Appeals in the Fourth Circuit is in Disagreement with Many Principles Established by this Court,** as would be expected where two men differ with nineteen men.

**(a) Estoppel by Judgment Should Not Be Avoided Through Stratagem:** By a long line of decisions of this Court, both ancient and current, it has been held that a right, question or fact, distinctly put in issue and determined by a competent Court, cannot be relitigated (*Southern Pacific v. U. S.*, 168 U. S. 1). This is a ruling of substantial justice, of public policy and private peace (*Hart v. Railroad Supply*, 244 U. S. 291, 299). It prevails whether the former judgment was right or wrong (*Milne v. Deen*, 121 U. S. 525). Manifestly this rule should not be flaunted and its effects defeated by stratagem. As all the Courts have agreed, the Respondent was estopped to deny the validity of Claim 20 of the Swan patent. As we have pointed out, the decision of the majority of the Court in the Fourth Circuit was not only tacitly admitted by the majority, but distinctly stated by Judge Parker in his dissenting opinion to be, in effect, a holding of invalidity. The majority of the Court said at page 310:

> "Although what has been said casts some doubt upon the validity of the patent, it must be assumed to be valid in this case;"

Judge Parker said, in his dissenting opinion (p. 311):

> "and its effect is that, while paying lip service to the validity of the patent, we in effect nullify it."

In other words, infringement, being very clearly proved by the testimony of the neutral expert and found by the District Court, a plain holding of non-infringement was untenable, as Judge Parker said, so the majority of the Court held non-infringement but in effect held invalidity. In other words, the question of validity, being settled by *res judicata*, was not in issue and no evidence was taken upon it. Not, however, wishing to say the patent was invalid, the majority reached the same conclusion by holding non-infringement. Thus, as Judge Parker said, "lip service" was paid to the validity of the patent but, in effect, it was nullified. In other words, it is very plain that Judge

Parker has said that what the majority did was to consider the patent invalid and to, in effect, hold it invalid though giving non-infringement as the reason, and we think the above quotation from the majority of the Court is an admission that this is what happened.

There is thus presented to this Court a novel question and one of great importance, i.e., where there is estoppel by judgment may the Court circumvent and out-flank the estoppel because the Court thinks that the former decision was wrong by basing its decision upon some other point in order to reach a conclusion which would justify the belief of the Court that there was error in the first decision? The evils of such a course are immeasurable. The outstanding one is that the real point upon which the case was decided by the majority opinion was not in issue and evidence was not taken upon the subject. (We ask the Court to note that what we have said here about the tactics of the majority in the Court of Appeals in the Fourth Circuit is said upon the authority of Judge Parker in his dissenting opinion and upon what we view to be a definition of the policy in the majority opinion.)

**(b) The Prior Art May Not Be Modified to Invalidate or Limit:** Although this rule has been followed in decisions of this Court ever since the commencement of the administration of the patent law, it is probably nowhere better stated by this Court than as follows in *Topliff v. Topliff*, 145 U. S. 161:

> "It is not sufficient to constitute an anticipation that the device relied upon might, by modification, be made to accomplish the function performed by the patent in question, if it were not designed by its maker, nor adapted, nor actually used, for the performance of such functions."

In the instant case all of the Courts refused to consider a modification of the prior art manifold to Matheson as well as those to others, which modified the mode of operation of

the prior art manifolds and enabled them to produce results which they not only could not produce, but were not known to be able to produce, except the majority of the Court of Appeals in the Fourth Circuit. On this subject the Court of Appeals in the Sixth Circuit said (88 Fed. (2) 886, 887):

> "The Murray and Tregurtha manifold has heretofore been discussed in the royalty case. It did not perform according to the Swan principle, and its distribution was faulty. This is equally true of Matheson, Peerless and Fay & Bowen, which must rank as prior efforts and failures."

Of course, unless the rule is followed, there can be no such thing as invention because there never was an invention which did not consist in the reorganization and modification of something that was old in order to make it perform the functions and do services which it could not before perform.

**(c) There Is Infringement Where the Structure of the Accused Device Comes Within the Scope of the Claims and There Is Identity or Substantial Identity of Mode of Operation and Results:** This also has always been the rule in this Court (*Machine Co. v. Murphy,* 97 U. S. 120, 125; *Winters v. Sanitary,* 280 U. S. 30).

The question of identity or substantial identity of mode of operation or results are peculiarly questions of fact. The Trials Courts in Cleveland and Toledo, who tried the cases under this patent in the Sixth Circuit, recognized that these questions were so distinctly questions of fact that each either observed tests on the manifolds themselves or else appointed a Master or a Commissioner to observe these tests. As is clear from the decision, the mode of operation is the course of the fuel mixture in the manifolds and the primary results are the equal or substantially equal distribution of the fuel mixture to the various cylinders. Only one who observed the operation of the manifolds could resolve these questions in dispute among the experts regard-

ing such matters. In the instant case, as we have said, Judge Coleman appointed a skilled scientist as a neutral expert to observe these operations and results. This neutral expert was in agreement with the Judges, the Master, and the Commissioner in the Sixth Circuit in saying that the mode of operations and results between the accused manifolds, the adjudicated manifolds and the Swan manifolds were all the same except perhaps in immaterial differences in degree, which are immaterial in the law. The two Circuit Judges in the Fourth Circuit who are in disagreement with the other nineteen people, of course, did not see any of these operations. The neutral expert also witnessed the operation of the Matheson manifold and said that it did not operate or get the results of the accused, the adjudicated, or the patented manifolds. True enough, he said that if enough changes were made in the Matheson manifold it was his opinion that it could be made to operate like and get the results of the patented, the adjudicated and the accused manifolds. Of course, that would be true of any prior art device.

**(d) The Rule That a Reviewing Court Should Not Overrule Fact Finding Tribunals Below Is Particularly Applicable in the Instant Case:** Everybody is familiar with the rule that a reviewing Court will not overrule the Findings of fact finding Tribunals who have seen and heard the witnesses where the finding is supported by evidence. This Court, consisting of nine Justices, has followed this rule from the most ancient times in the history of the Court. It has been adopted and followed everywhere until it has been incorporated in the new Equity Rules. In the instant case, as we have pointed out, the reversal was by two members of the reviewing Court.

We would not presume to say anything about the relative qualifications of Judges Soper and Northcott, but we point out that Judge Parker considered that Judges Soper and Northcott were not as familiar with the subject-

matter involved in this case as were the Courts in the Sixth Circuit (105 Fed. (2) 311). We commend his reasonings to this Court. Upon the basis of this high authority we point out that the reasons for adhering to the concurring findings of the Courts below on a question of fact is more commanding in the instant case than in an ordinary case. As we have pointed out, the question here was—What was the mode of operation that went on inside of numerous iron shells called manifolds, including the prior art, the patented manifold, the adjudicated manifold, and the accused manifold, and what went on inside of a heavy iron engine as a result of what went on inside this iron shell?

In the very recent case of *Williams v. United Shoe,* 316 U. S. 364, this Court said (p. 367):

> "These are findings of fact, despite the Petitioner's apparent contention to the contrary, and we will not disturb such concurring findings where, as here, there is evidence to support them."

To the same effect was the ruling of this Court in *Continental v. Eastern,* 210 U. S. 405, 416, 422, and *Adamson v. Gilliland,* 242 U. S. 350.

In the instant case the two Judges on the Fourth Circuit Court of Appeals overruled the fact finding of the following Tribunals which had seen these performances within the manifolds:

> The Commissioner, in the case of *General Motors v. Swan, supra,* in the Sixth Circuit.
>
> The neutral expert in the instant case

and the following Tribunals who saw and heard the witnesses who saw the performances:

> Judge Coleman in the Court below, who saw and heard the neutral expert, along with the other witnesses.
>
> The Jury, in the case of *General Motors v. Swan, supra.*

It is anomaly, if not anathema, for two members of a Court of Appeals to overrule all of these fact finding and observing Tribunals upon a question of the performance and results of manifolds when those performances and results are hidden within iron walls and when all neutral parties, who have observed these performances through glass windows in these walls, have arrived at a different conclusion from that of these two Judges.

**(e) If Reforms Are to be Made Effective, it is Manifestly Futile to Pass Rules and Laws and Let Them Die:** Over a period of a great many years there was here and there a decision of this and other Courts to the effect that a reviewing Court would not disturb the Findings of Fact of a Trial Court except in a case of clear error. Among the decisions of this Court are *Furrer v. Ferris,* 145 U. S. 132; *Adamson v. Gilliland, supra;* and *Williams v. United Shoe, supra.* This rule was finally made a rule and a law in Rule 52 of the Federal Rules of Civil Procedure. If this reform is going to have any effect, it must be executed because, as said by Mr. Wigmore—

> "It would seem to be axiomatic that a man is likely to do or not to do a thing or to do it or not to do it in a particular way (according), as he is in the habit of doing or not doing it." (*State v. Railroad,* 52 N. H. 528, 532.) (Quoted in *Wigmore on Evidence,* 3rd Ed. 1940.)

There could not be a clearer violation of this rule and practice than the decision of the majority of the Court of Appeals in the Fourth Circuit. We state this also upon the authority of Judge Parker, who pointed out in the following language that the decision of the majority was overruling the Master and the District Court in Cleveland and the neutral expert and the District Court in Baltimore (105 Fed. (2) 310 and 311):

> "As pointed out by the judge below, this finding, along with the other findings of the *master,* was adopted

without opinion by the District Court in the Reeke-Nash suit and presumably was affirmed by the appellate court.

* * * * *

"It is strengthened, not merely by its adoption by the learned judge below, but also by the fact that in reaching his conclusion upon the case he had the assistance of *a most distinguished non-partisan expert.*"

The sole question decided by the majority of the Court of Appeals in the Fourth Circuit was the question of infringement, which is a question of fact (*U. S. v. Esnault-Pelterie,* 303 U. S. 26; *Aluminum Co. of America v. Thompson Products,* 122 Fed. (2) 797, 799; *U. S. Rubber v. General,* 128 Fed. (2) 104, 108).

If the reform to be exercised by this Rule 52 is to be realized, it manifestly must be enforced, and there could not be a clearer case of its violation than the instant case.

**(5) Public Policy is Disserved by the Opinion of the Majority of the Court of Appeals in the Fourth Circuit:** There never was a time when the American public needed inventions and inventions of so high an order as at the present time. They are not only needed, but they are essential to the effort and to success in the war. Likewise, they are necessary to the success of peace after the war. Nobody could serve the American public so well today as those who encourage the making of these inventions, except perhaps those who make them; on the contrary, nobody can disserve the American public so much today as those who discourage the making of these inventions.

It is impossible for us here to give a list of all of the inventions that are needed, but we can list some of them.

For the war need, the following inventions are needed, if not necessary:

Means for offsetting the effect of the German rocket guns.

Means for offsetting the effect of the torpedoes which search out the screw propellers of ships.

A cocksure gun sight and range finder for locating airplanes.

Means which will throw a false image of an airplane, much as the ventriloquist is enabled to place his voice as emanating from a false source.

Materials which will furnish the same protection for less weight or more protection for the same weight for airplane armor.

Means for the causing the explosion of torpedoes before they strike or become dangerously near to a ship.

Means for deflecting bombs from their normal course.

Artificial blood plasma.

There is a great deal of talk about prosperity after the war and there are a great many theories about this, but what will bring prosperity will be new inventions which will furnish employment, just as the building of the railroads furnished employment after the Civil War and the building of automobiles furnished employment after World War I.

Among some of these inventions that will be needed are:

Machinery for cheapening the production of inventions already in being so that a farmer who gets five cents a pound for pork on the hoof can buy these machines at the labor cost of One Dollar an hour, such as existed just prior to the war.

One-man agricultural machinery.

Household machinery, such as dish-washing machinery.

Mechanisms for reducing or eliminating automobile accidents.

Airplanes and airplane equipment and facilities for the private use of airplanes.

Safety devices for operating the same.

The plastics, alloys, and the other new materials and inventions which the public men have been advising

the public for several years past will bring about not only a new prosperity but a new age.

Someone has said that the present generation was not wise enough to profit by history. Therefore, it is perhaps well to investigate the efforts made by other people at other times in history to cause the making of such inventions as the American public now must have and will greatly need after the war.

The Ancient Greeks tried the scheme of encouragement by rewards and praise, but without success, and the puny effort made by the Ancient Greeks perished with their civilization.

The Saracens tried the scheme of patronage by individuals or the public, such as has recently been proposed in this country, but that scheme failed. There were at least two underlying reasons. The first reason was that the prospect of reward was insufficient and the second reason was that those responsible for it picked too many MacDowells, MacClellands, Popes, Burnsides and Hookers before they found a Grant.

The only scheme that has ever succeeded has been through the patent grant, and that has failed unless the administration of the patent law was at least reasonable in living up to the faith of the government which promised the reward. That situation existed in this country for some time after the beginning of the last century and to a lesser degree in certain other countries. In those countries, and only in those countries, has there been enough invention, or have the inventions been important enough to be worthy of notice. Even where the natural resources were just as great as in this country, as they were in South America for example, there has been no invention and no progress based on invention. The same has been true where philosophy has been as sound and as well accepted and followed as in this country. True enough, there was enough

inventive talent and habit created in this country during the period which we have mentioned to create considerable momentum, which has continued, though the Patent Office records show that it has fallen off something like twenty-eight per cent in the last ten years in this country.

These facts are stubborn things. They show conclusively that success in war and success in peace are dependent upon the making of important inventions and of the making of many inventions in this country. They show that only a fair administration of the patent law has resulted in such inventions. It has already been adjudged that the invention here involved was an important invention which advanced the art. There are, therefore, two salient reasons based on public policy for granting the Petition for Certiorari in the instant case; first, such an action will add to the encouragement of invention and, second, it will clear up the unfortunate situation that exists due to the conflicts of decisions of Courts of Appeals and others, and the violation of established rules by the majority of the Court of Appeals in the Fourth Circuit, as pointed out by Judge Parker. In other words, it will not only encourage invention by rewarding the inventor, but it will convince the inventor that his rights are not going to be so tangled up in litigation. As the matter stands now not only is the reward withheld, but the confusion is such as to convince that even if the lower Courts intend to reward an inventor as promised by the law, these lower Courts allow his claims to be so tangled up that he will be defeated by entanglement.

We state these propositions on the authority of President Roosevelt's Patent Planning Commission. Whatever reforms the patent law has needed or does need have been reported by that Commission after a thorough and careful investigation. The action we appeal for here is for the

purpose of effecting some of these reforms as well as continuing the long followed practices in this Court.

Respectfully submitted,

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I certify that the foregoing Petition for Rehearing is filed in good faith and not for purposes of delay.

F. O. Richey.